# The Corporation of The City of London
# November 7, 2007

## Proposed Water and Sewer Budgets Tabled

The City's 2008 Water and Wastewater budgets tabled today at Board of Control will help London maintain our safe, clean and secure water supply, while balancing costs and revenues.

The proposed budgets enable London to continue to replace its aging infrastructure, build new infrastructure to meet growth demands and meet regulatory requirements. Under the proposed budgets the costs for a typical homeowner will increase by $27 per year for water and by $39 per year for wastewater services.

"For about $1 a day Londoners are able to satisfy all their needs for less than the cost of a small bottle of water," says Pat McNally, the City's Director of Water, Environment and Customer Relations. "London households have access to a reliable high quality abundance of water and we are committed to setting the standard for municipal water supply."

A number of factors are taken into account in this year's budget. The first is a seven per cent increase in the cost of water purchased from both the Lake Huron and Elgin Area Water Supply Systems. In addition, a significant amount of funds have been dedicated to replacement of lead services. The replacement of these older services has increased by about 500 per cent over 2006 budget levels. A further one per cent increase (or about $3 per household per year) is also recommended to fund additional lead service replacements. Council may also consider whether additional rate increases should be implemented to help speed up the replacement of infrastructure.

Earlier this year, the Great Lakes and St. Lawrence mayors announced a water conservation goal of 15 per cent reduction in water by 2015. The City is well on its way to meeting this goal, as Londoners have reduced their water usage by about six per cent over the last five years. "Londoners are clearly doing their part in conserving the future," says McNally.

The Wastewater and Treatment budget is the fourth to be developed in keeping with the 20-Year Sewer System Plan. Increases in pay-as-you-go capital financing for life cycle renewal projects and increased contributions to the capital reserve funds to provide for future system improvements continue to be the major drivers of the rates.

"For about $1.30 a day Londoners can rely on a safe and secure sewer system," says Ron Standish, the City's Director of Wastewater and Treatment. "The sewer system is a key quality of life driver. Services must be provided efficiently every day with the protection of the environment at the forefront. We are continuing the course of action outlined in the 20-Year Plan, securing tomorrow by ensuring a sustainable sewer system," says Standish.

London's administration has recommended a nine per cent increase to the overall Wastewater and Treatment budget and an eight per cent increase to the overall water budget. At the proposed rates the typical home will have an annual cost of $356 for water and $477 for wastewater services including both sanitary and storm sewers.